

financial history of the Austrian Empire has been a succession of acts for refunding, for new issues of interest-bearing and non-interest bearing securities, and new regulations for the Austrian National Bank until the recital becomes almost tedious. The government and the bank have been able in recent years to accumulate a large stock of gold, the paper money has risen much above the value of standard silver coins, and unless the country is dragged into some new war she will soon accomplish the resumption of specie payments upon a gold basis.

The first important banking institution in Austria seems to have been created at Vienna by a decree of June 16, 1703, with a capital of 7,000,000 florins (\$3,500,000). It was created for the purpose of rescuing the government from the evils of a debased currency which even then existed, but was authorized to receive the deposits of individuals, like the similar establishments of Venice, Hamburg, and Amsterdam. It was essentially a governmental institution and was formed, like the Bank of Venice, for the funding of the public debt, which was to be accomplished by an annual levy upon the receipts of the Treasury for the security and retirement of the mandates or *assegni* which the new establishment was authorized to issue.¹ The experiment was not successful. The government was unable in the involved state of the finances to make the annual payments to which it was pledged and the mandates issued by the bank were received very reluctantly into the monetary circulation. The government finally turned the institution over to the City of Vienna and it took the name of the Bank of the City of Vienna. The transformation did not save it. The bank suspended operations in drafts on private account in order to devote its entire resources to refunding, but the expected means for this work failed and the bank went into liquidation at the expense of its depositors and shareholders. No further attempt was made to establish a national bank for over a century.